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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:

BERNARD L. MADDOFF INVESTEMENT
SECURITIES LLC,

SIPA LIQUIDATION
No. 08-01789 (BRL)

Debtor.

(Substantively Consolidated)

IRVING H. PICARD, Trustee for the
Liquidation of Bernard L. Madoff
Investment Securities LLC,

Plaintiff,

v.

Adv. Pro. No. 09-1305 (BRL)

COHMAD SECURITIES CORPORATION, ETC.,
STANLEY MERVIN BERMAN, JOYCE
BERMAN and S & J PARTNERSHIP,

Defendants.

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ANSWER TO THE FIRST AMENDED COMPLAINT

Defendants, Stanley Mervin Berman (“Berman”), Joyce Berman, S & J Partnership,
(collectively referred to herein as the “Berman Defendants”) by their attorneys Drohan Lee LLP,

as and for their Answer to the First Amended Complaint filed by Plaintiff, Irving H. Picard (the “Plaintiff”), Trustee for the Liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”), dated October 8, 2009 (the “Complaint”) represents and alleges as follows:

1. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 1.

2. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 2.

3. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 3.

4. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 4.

5. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 5.

6. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 6.

7. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 7, except refer to the rules and statutes referenced therein for the content thereof.

8. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 8, except refer to the docket of the SIPA Case and of the District Court Proceeding, and the rules and statutes referenced therein for the content thereof.

9. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 9.

10. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 10.

11. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 11.

12. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 12.

13. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 13.

14. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 14.

15. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 15.

16. Admit the allegations set forth in the paragraph of the Complaint marked and numbered 16.

17. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 17.

18. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 18.

19. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 19.

20. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 20.

21. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 21.

22. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 22.

23. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 23 as to Berman, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to other defendants.

24. Admit the allegation set forth in the paragraph of the Complaint marked and numbered 24 as to Berman, solely to the extent that Berman admits that Berman, from time to time, maintained accounts with Cohmad.

25. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 25 except all questions relating to the law leave the Court.

26. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 26.

27. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 27.

28. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 28.

29. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 29.

30. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 30.

31. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 31.

32. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 32.

33. Admit the allegations set forth in the paragraph of the Complaint marked and numbered 33.

34. Admit the allegation set forth in the paragraph of the Complaint marked and numbered 34.

35. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 35.

36. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 36.

37. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 37.

38. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 38.

39. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 39.

40. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 40.

41. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 41.

42. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 42.

43. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 43, except for the address of BLMIS New York office.

44. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 43, except refer to the confession of Madoff referenced therein for the content thereof.

45. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 44, except refer to the Plea Hearing referenced therein for the content thereof.

46. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 46.

47. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 47.

48. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 48.

49. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 49.

50. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 50.

51. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 51.

52. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 52.

53. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 53.

54. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 54.

55. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 55.

56. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 56.

57. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 57.

58. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 58.

59. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 59.

60. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 60.

61. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 61.

62. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 62.

63. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 63.

64. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 64.

65. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 65.

66. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 66.

67. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 67, except refer to the Plea Hearing referenced therein for the content thereof.

68. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 68.

69. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 69.

70. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 70.

71. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 71.

72. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 72.

73. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 73.

74. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 74.

75. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 75.

76. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 76.

77. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 77.

78. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 78.

79. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 79.

80. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 80.

81. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 81.

82. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 82.

83. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 83.

84. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 84.

85. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 85.

86. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 86.

87. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 87.

88. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 88.

89. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 89.

90. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 90.

91. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 91.

92. Deny the allegations set forth in the first sentence of the paragraph of the Complaint marked and numbered 92, except deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the remainder of the paragraph of the Complaint marked and numbered 92.

93. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 93.

94. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 94, except refer to the Opening Forms referenced therein for the content thereof.

95. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 95, and leaving all conclusions of law to the Court.

96. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 96.

97. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 97.

98. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 98.

99. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 99, and leaving all conclusions of law to the Court.

100. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 94, except refer to Exhibit 10 referenced therein for the content thereof.

101. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 101, except refer to Exhibit 11 referenced therein for the content thereof.

102. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 102.

103. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 103, except refer to Exhibit 12 referenced therein for the content thereof.

104. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 104, except refer to Exhibit 13 referenced therein for the content thereof.

105. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 105, except refer to Exhibit 13 referenced therein for the content thereof.

106. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 106.

107. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 107.

108. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 108, except refer to Exhibit 14 referenced therein for the content thereof.

109. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 109.

110. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 110.

111. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 111.

112. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 112.

113. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 113.

114. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 114.

115. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 115.

116. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 116.

117. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 117.

118. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 118.

119. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 119.

120. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 120.

121. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 121, except refer to Exhibit 16 referenced therein for the content thereof.

122. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 122.

123. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 123.

124. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 124.

125. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 125.

126. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 126.

127. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 127, except admit that the Berman Defendants maintained an account with BLMIS.

128. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 128.

129. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 129.

130. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 130.

131. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 131 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

132. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 132 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

133. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 133 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

134. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 134 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

135. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 135 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

136. Deny knowledge or information sufficient to form a belief as to the truth of the allegations set forth in the paragraph of the Complaint marked and numbered 136, except all questions relating to law leave to the court.

137. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 137 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions relating to law leave to the court.

138. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 138 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions relating to law leave to the court.

139. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 139, except all questions of law leave to the court.

140. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 140, except all questions of law leave to the court.

141. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 141, except all questions of law leave to the court.

142. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 142, except all questions of law leave to the court.

143. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 143, except all questions of law leave the court.

144. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 144.

COUNT ONE

TURNOVER AND ACCOUNTING – 11 U.S.C. §542¹

145. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 144 as if fully set forth herein.

146. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 146 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

147. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 147 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

¹ The Plaintiff has voluntarily dismissed, without prejudice, this Claim in the Complaint.

148. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 148 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

COUNT TWO

FRAUDULENT TRANSFERS - 11 U.S.C. §§ 548(a)(1)(A), 550, AND 551

149. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 148 as if fully set forth herein.

150. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 150 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

151. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 151 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

152. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 152 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

153. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 153 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

COUNT THREE

FRAUDULENT TRANSFER - 11 U.S.C. §§ 548(a)(1)(B), 550, AND 551

154. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 153 as if fully set forth herein.

155. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 155 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

156. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 156 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

157. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 157 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

158. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 158 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

159. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 159 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

160. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 160 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to

the truth of the allegations as to each other defendant, except all questions of law leave to the court.

161. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 161 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

COUNT FOUR

FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW

§§ 276, 276-A, 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

162. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 161 as if fully set forth herein.

163. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 163, except all questions of law leave to the court.

164. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 164 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

165. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 165 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

COUNT FIVE

FRAUDULENT TRANSFER – NEW YORK DEBTOR AND CREDITOR LAW

§§ 273 AND 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), 551 AND 1107

166. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 165 as if fully set forth herein.

167. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 167, except all questions of law leave to the court.

168. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 168 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

169. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 169 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

170. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 170 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

171. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 171 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

COUNT SIX

FRAUDULENT TRANSFERS – NEW YORK DEBTOR AND CREDITOR LAW

§§ 274, 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), 551 AND 1107

172. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 171 as if fully set forth herein.

173. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 173, except all questions of law leave to the court.

174. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 174 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

175. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 175 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

176. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 176 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

177. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 177 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

COUNT SEVEN

FRAUDULENT TRANSFERS – NEW YORK DEBTOR AND CREDITOR LAW

§§ 275, 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

178. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 177 as if fully set forth herein.

179. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 179, except all questions of law leave to the court.

180. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 180 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

181. Deny the allegation set forth in the paragraph of the Complaint marked and numbered 181 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegation as to each other defendant, except all questions of law leave to the court.

182. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 182 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

183. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 183 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

COUNT EIGHT

UNDISCOVERED FRAUDULENT TRANSFERS – NEW YORK CIVIL PROCEDURE

LAW AND RULES 203(g) AND NEW YORK DEBTOR AND CREDITOR LAW

§§ 276, 276-a, 278 AND/OR 279, AND 11 U.S.C. §§ 544, 550(a), AND 551

184. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 183 as if fully set forth herein.

185. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 185.

186. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 186, except all questions of law leave to the court.

187. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 187 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

188. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 188 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

COUNT NINE

RECOVERY OF SUBSEQUENT TRANSFERS – NEW YORK DEBTOR AND

CREDITOR LAW § 278 AND 11 U.S.C. §§ 544, 547, 548, 550(a), AND 551

189. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 188 as if fully set forth herein.

190. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 190 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant, except all questions of law leave to the court.

191. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 191.

192. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 192.

193. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 193.

194. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 194, except all questions of law leave to the court.

195. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 195, except all questions of law leave to the court.

COUNT TEN

OBJECTION TO DEFENDANT'S SIPA CLAIMS

196. Berman Defendants repeat and incorporate by reference their responses to paragraphs 1 through 195 as if fully set forth herein.

197. Deny knowledge or information sufficient to form a belief as to the truth of the allegation set forth in the paragraph of the Complaint marked and numbered 197, except admit the Berman Defendants have filed SIPA claims.

198. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 198 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

199. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 199 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

200. Deny the allegations set forth in the paragraph of the Complaint marked and numbered 200 as to Berman Defendants, and deny knowledge or information sufficient to form a belief as to the truth of the allegations as to each other defendant.

AFFIRMATIVE DEFENSES

The Berman Defendants assert the following affirmative defenses and reserve the right to amend this Answer to assert other and further defenses when and if, in the course of their investigation, discovery, or preparation for trial it becomes appropriate. By designating these matters as “defenses,” the Berman Defendants do not suggest either that Plaintiff does not bear

burden of proof as to such matters or that such matters are not elements that Plaintiff must establish in order to make out a prima facie case against each Berman Defendant.

BERMAN DEFENDANTS' FIRST AFFIRMATIVE DEFENSE

Plaintiff fails to state a claim upon which relief can be granted.

BERMAN DEFENDANTS' SECOND AFFIRMATIVE DEFENSE

Plaintiff lacks standing and/or capacity to bring any claims against the Berman Defendants.

BERMAN DEFENDANTS' THIRD AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the applicable statute of limitations.

BERMAN DEFENDANTS' FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by laches.

BERMAN DEFENDANTS' FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of waiver.

BERMAN DEFENDANTS' SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of estoppel.

BERMAN DEFENDANTS' SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of unclean hands.

BERMAN DEFENDANTS' EIGHTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of *in pari delicto* and/or the *Wagoner* rule because, among other things, the acts of its predecessors, agents and representatives (including Bernard L. Madoff and BLMIS) are imputed to the Plaintiff.

BERMAN DEFENDANTS' NINTH AFFIRMATIVE DEFENSE

Some or all amounts received by Berman Defendants from BLMIS are settlement payments exempt from avoidance under Section 546(e) of the Bankruptcy Code.

BERMAN DEFENDANTS' TENTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because any and all alleged transfers received by the Berman Defendants were taken for value, including satisfaction or securing of a present or antecedent debt, in good faith, and without knowledge of the voidability of any transfer, within the meaning of 11 U.S.C. § 550(b)(1) and (2).

BERMAN DEFENDANTS' ELEVENTH AFFIRMATIVE DEFENSE

Some or all of the transfers at issue in the Complaint and some or all of the amounts received from BLMIS are not property of the estate as such amounts were held by BLMIS in constructive trust or as a bailee for the Berman Defendants.

BERMAN DEFENDANTS' TWELFTH AFFIRMATIVE DEFENSE

Some or all of the transfers at issue in the Complaint and some or all amounts the Berman Defendants received from BLMIS satisfy an antecedent debt for which the Plaintiff is not entitled to avoid and recover.

BERMAN DEFENDANTS' THIRTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by section 548(c) and 548(d)(2)(A) of the Bankruptcy Code.

BERMAN DEFENDANTS' FOURTEENTH AFFIRMATIVE DEFENSE

Some or all of the transfers at issue in the Complaint and some or all of the amounts the Berman Defendants received from BLMIS are not property of the estate because BLMIS never had a legal interest in the transferred funds.

BERMAN DEFENDANTS' FIFTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are not ripe, because he has failed to demonstrate that the conditions of 15 U.S. § 78fff-2(c)(3) have been met.

BERMAN DEFENDANTS' SIXTEENTH AFFIRMATIVE DEFENSE

Berman Defendants are victims of the Madoff fraud and any claims against them should be dismissed as unconscionable and in violation of public policy.

BERMAN DEFENDANTS' SEVENTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims and causes of action are barred as the Berman Defendants gave fair consideration for some or all of the transfers at issue in the Complaint.

BERMAN DEFENDANTS' EIGHTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because Berman Defendants always acted in good faith and without any fraudulent intent, at all relevant times when receiving the transfers at issue in the Complaint. Berman Defendants are therefore entitled to retain any and all amounts it received from BLMIS.

BERMAN DEFENDANTS' NINETEENTH AFFIRMATIVE DEFENSE

Some or all of the transfers in the Complaint and some or all of the amounts the Berman Defendants received from BLMIS are not avoidable as the Berman Defendants gave reasonably equivalent value to BLMIS for the some or all of transfers at issue.

BERMAN DEFENDANTS' TWENTIETH AFFIRMATIVE DEFENSE

Some or all of the transfers at issue in the Complaint and some or all amounts the Berman Defendants received from BLMIS are not avoidable by the Plaintiff as the Berman Defendants received such amounts for value, in good faith, and without knowledge of the voidability of the transfer sought to be avoided.

BERMAN DEFENDANTS' TWENTY-FIRST AFFIRMATIVE DEFENSE

Any recovery by the Plaintiff is subject to credits, set-off and/or recoupment.

BERMAN DEFENDANTS' TWENTY-SECOND AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because no alleged transfers received by the Berman Defendants from BLMIS enabled any of them to receive more than they would have received (a) under chapter 7 of the Bankruptcy Code, (b) if such transfers had not been made, and/or (c) if they had received such transfers to the extent provided by the Bankruptcy Code, within the meaning of 11 U.S.C. § 547(b)(5).

BERMAN DEFENDANTS' TWENTY-THIRD AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, to the extent that any and all alleged transfers were intended by BLMIS and the Berman Defendants to be contemporaneous exchanges of new value given to BLMIS, and were in fact a substantially contemporaneous exchange of new value, within the meaning of 11 U.S.C. § 547(c)(1).

BERMAN DEFENDANTS' TWENTY-FOURTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because any and all alleged transfers were (i) in payment of a debt incurred by BLMIS in the ordinary course of business or financial affairs of BLMIS; (ii) made in the ordinary course of business or financial affairs of BLMIS and the Berman Defendants; and/or (iii) made according to ordinary business terms, within the meaning of 11 U.S.C. § 547(c)(2).

BERMAN DEFENDANTS' TWENTY-FIFTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because subsequent to the Berman Defendants' receipt of any and all alleged transfers (i) the Berman Defendants intended to, and gave, new value to or for the benefit of BLMIS; (ii) the new value advanced was not secured by an

otherwise unavoidable security interest and/or (iii) BLMIS, on account of the subsequent new value, did not make an otherwise unavoidable transfer to or for the benefit of the Berman Defendants, within the meaning of 11 U.S.C. § 547(c)(4).

BERMAN DEFENDANTS' TWENTY-SIXTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because the Berman Defendants had no actual or constructive knowledge of the alleged Ponzi scheme involving BLMIS and, even with the exercise of due diligence, could not have obtained such knowledge.

BERMAN DEFENDANTS' TWENTY-SEVENTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because the Berman Defendants justifiably relied on the activities of governmental and regulatory bodies, such as the Securities and Exchange Commission, to monitor and oversee the activities of BLMIS.

BERMAN DEFENDANTS' TWENTY-EIGHTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because the alleged transfers received by the Berman Defendants were for fair consideration, without actual fraudulent intent and without the knowledge of Madoff's fraud, within the meaning of Sections 272 and 278(1) and (2) of the New York Debtor and Creditor Law.

BERMAN DEFENDANTS' TWENTY-NINTH AFFIRMATIVE DEFENSE

All Counts of the Complaint alleging fraudulent transfer claims based on Bankruptcy Code Section 548, and based on Bankruptcy Code Section 544 and applicable non-bankruptcy law, are barred because Plaintiff cannot rely on such statutes to sue the Berman Defendants, which are parties that BLMIS sought to hinder, delay and defraud.

BERMAN DEFENDANTS' THIRTIETH AFFIRMATIVE DEFENSE

The Berman Defendants raise each and every defense at law, in equity, or otherwise, available under any and all federal and state statutes, laws, rules, regulations or other creations, including common law.

BERMAN DEFENDANTS' THIRTY-FIRST AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because no alleged transfers received by the Berman Defendants were taken for the benefit of the Berman Defendants in furtherance of a fraudulent investment scheme.

BERMAN DEFENDANTS' THIRTY-SECOND AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because the prosecution of this action against the Berman Defendants, victims of the Madoff fraud, constitutes an abuse of Plaintiff's authority and discretion.

BERMAN DEFENDANTS' THIRTY-THIRD AFFIRMATIVE DEFENSE

The Complaint is barred with respect to claims under Section 544(b) of the Bankruptcy Code by the unclean hands of any creditor who held or holds matured or unmatured unsecured claims against BLMIS that were and are allowable under Section 502 of the Bankruptcy Code or that were and are not allowable only under Section 502(e).

BERMAN DEFENDANTS' THIRTY-FOURTH AFFIRMATIVE DEFENSE

The alleged transfers are not avoidable as against the Berman Defendants or recoverable from the Berman Defendants or under the single satisfaction rule set forth in Section 550(d) of the Bankruptcy Code and/or under New York law.

BERMAN DEFENDANTS' THIRTY-FIFTH AFFIRMATIVE DEFENSE

Plaintiff may not recover attorneys' fees from the Berman Defendants under Sections 544 and 550 of the Bankruptcy Code and Section 276-a of the New York Debtor and Creditor Law because such attorneys' fees are not "transfers" under Section 544 or 550 of the Bankruptcy Code.

BERMAN DEFENDANTS' THIRTY-SIXTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, because the alleged transfers and/or the Berman Defendants' property are exempt from recovery by Plaintiff.

BERMAN DEFENDANTS' THIRTY-SEVENTH AFFIRMATIVE DEFENSE

The Complaint is barred, in whole and/or in part, based upon the doctrine of judicial estoppel.

BERMAN DEFENDANTS' THIRTY-EIGHTH AFFIRMATIVE DEFENSE

Berman Defendants adopt and incorporate by reference any and all other defenses asserted or to be asserted by any other defendant or party-in-interest to the extent that the answering Defendants may share in such defenses.

RESERVATION OF RIGHTS

Berman Defendants hereby give notice that they intend to rely upon any other defenses that may become available or appear during the pre-trial proceedings based upon evidence obtained through discovery or otherwise and hereby reserve the right to amend their answer and assert any such defenses.

COUNTERCLAIMS AND CROSS-CLAIMS

Berman Defendants expressly reserve all rights with respect to all counterclaims or crossclaims that may be revealed during the course of discovery or through the Trustee's independent investigation.

JURY TRIAL DEMANDED

Berman Defendants demand a trial by jury for all issues so triable.

WHEREFORE the Berman Defendants, respectfully demand judgment dismissing the Complaint filed by Plaintiff, Irving H. Picard, Trustee for the Liquidation of Bernard L. Madoff Investment Securities, together with the costs of this action, including attorney's fees, together with such other, further, and different relief as this Court deems just and proper.

Dated: New York, New York
September 19, 2011

Respectfully Submitted,
DROHAN LEE LLP

//Vivian R. Drohan//
Vivian R. Drohan (VD 2047)
Attorneys for Stanley Mervin Berman,
Joyce Berman and the S & J Partnership